



HUMAN RESOURCES DEPARTMENT

City of Burlington

179 South Winooski Avenue, Burlington, VT 05401

Voice (802) 865-7145
Fax (802) 864-1777
Vermont Relay: call 711
or 800-253-0191

To: Board of Finance

From: Scott Schrader, Asst. Chief Administrative Officer
Susan Leonard, Director of Human Resources

Date: July 5, 2012

Re: Employee Benefits Agreements

The contractual agreements for the health care benefits, dental care benefits, and life insurance benefits were all approved by the City Council in FY11 and are all three year agreements. These resolutions are attached. The dental care agreement with Delta Dental and the life insurance agreement with Lincoln Insurance have no changes for Fiscal Year 2013. The health care agreement with Blue Cross Blue Shield is silent regarding changes for Fiscal Year 2013. After meeting with representatives from Blue Cross Blue Shield, we are recommending the same change for FY2013 as FY2012. This will represent an increase of approximately 18% to the premium paid by the City. Attached are the premium equivalent rates for FY2012 and FY2013, for your comparison.

We are requesting and recommending approval of this increase to the health care premium articulated in the agreement with Blue Cross Blue Shield.

Additionally, we are requesting approval of changes to the premium equivalent and payroll deductions required by employees to enroll in the benefits programs offered by the City. These increases, in many cases, are part of the collective bargaining process. FY2012 percentages and FY2103 percentages are attached, for your comparison.

We look forward to answering any questions you may have; draft resolution is attached.

Resolution Relation to

**AUTHORIZATION TO ENTER INTO AGREEMENT
WITH BLUE CROSS AND BLUE SHIELD OF VERMONT
AS FY 2011-13 HEALTH INSURANCE PROGRAM
ADMINISTRATOR/PROVIDER**

CITY OF BURLINGTON

In the year Two Thousand and ten.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington's contract with Blue Cross Blue Shield of Vermont (BCBS) will end on June 30, 2011; and

WHEREAS, in anticipation of the conclusion of this contract period of this contract period, the city, along with our benefits broker, Lockton Companies LLC, entered in to a Request for Proposal Process seeking quotes from other health insurance providers; and

WHEREAS, after careful review of the proposals, along with spirited negotiations, it was determined that BCBS would again provide the best benefit to the City; and

WHEREAS, the City and BCBS have negotiated an administrative fee which is guaranteed for three years at the July 1, 2010 fee level, as well as individual stop loss capped at a \$130,000 attachment point, with the ISL Premium increase capped at 18% for year 2, as well as a 20% increase in the Wellness Grant to \$30,000 be used by the City's Wellness Team, as well as an agreement to continue to provide total performance guarantees at 25% risk of administrative fees

NOW THEREFORE, BE IT RESOLVED that Mayor Bob Kiss and Chief Administrative Officer Jonathan P. A. Leopold, Jr. be and hereby are authorized to execute on behalf of the City of Burlington, an Agreement and related documents as necessary, by and between the City of Burlington and Blue Cross Blue Shield of Vermont for the Fiscal Years 2011-2013. Administration of the City's self-insured health insurance plan and provision of stop loss insurance, subject to the prior review and approval for the City Attorney

Resolution Relation to

AUTHORIZATION TO ENTER INTO AGREEMENT
WITH NORTHEAST DELTA DENTAL
AS FY 2011-13 DENTAL INSURANCE PROGRAM
ADMINISTRATOR/PROVIDER

CITY OF BURLINGTON

In the year Two Thousand and ten.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington's contract with Northeast Delta Dental will end on June 30, 2011; and

WHEREAS, in anticipation of the conclusion of this contract period of this contract period, the city, along with our benefits broker, Lockton Companies LLC, entered in to a Request for Proposal Process seeking quotes from other dental insurance providers; and

WHEREAS, after careful review of the proposals, it was determined that Northeast Delta Dental would again provide the best benefit to the City; and

WHEREAS, the City and Delta Dental have negotiated an administrative fee \$4.00 per employee per month with and increase to \$4.18 in year two of the three year contract.

NOW THEREFORE, BE IT RESOLVED that Mayor Bob Kiss and Chief Administrative Officer Jonathan P. A. Leopold, Jr. be and hereby are authorized to execute on behalf of the City of Burlington, an Agreement and related documents as necessary, by and between the City of Burlington and Northeast Delta Dental for the Fiscal Years 2011-2013. Administration of the City's self-insured dental insurance plan subject to the prior review and approval for the City Attorney.

Resolution Relation to

AUTHORIZATION TO ENTER INTO AGREEMENT
WITH LINCOLN FINANCIAL
AS FY 2011-13 DENTAL INSURANCE PROGRAM
ADMINISTRATOR/PROVIDER

CITY OF BURLINGTON

In the year Two Thousand and ten.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington's contract with The Standard will end on June 30, 2011; and

WHEREAS, in anticipation of the conclusion of this contract period of this contract period, the city, along with our befits broker, Lockton Companies LLC, entered in to a Request for Proposal Process seeking quotes from other life and AD&D insurance providers; and

WHEREAS, after careful review of the proposals, it was determined that Lincoln Financial would provide the best benefit to the City; and

WHEREAS, the City and Lincoln Financial have negotiated an administrative fee \$0.14 per \$1000 of coverage per covered life per month for life insurance as well as an administrative fee of \$.02 per \$1000 of coverage per covered life per month for the three year contract; and

WHEREAS, the contract with Lincoln Financial will reflect a change from a 90 day to a 180 elimination period for those who are disabled before age 60.

NOW THEREFORE, BE IT RESOLVED that Mayor Bob Kiss and Chief Administrative Officer Jonathan P. A. Leopold, Jr. be and hereby are authorized to execute on behalf of the City of Burlington, an Agreement and related documents as necessary, by and between the City of Burlington and Lincoln Financial for the Fiscal Years 2011-2013. Administration of the City's life and AD&D insurance plan subject to the prior review and approval for the City Attorney.

Resolution Relation to

AUTHORIZATION TO CHANGE FY2013 RATES FOR HEALTH CARE COST DEDUCTIONS FOR EMPLOYEES AND THE PREMIUM INCREASE FOR THE AGREEMENT WITH BLUE CROSS BLUE SHIELD

CITY OF BURLINGTON

In the year Two Thousand and twelve.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington has a contract with Blue Cross Blue Shield of Vermont (BCBS) that will end on June 30, 2013; and

WHEREAS, this contract is silent on the terms for Fiscal Year 2013; and

WHEREAS, the Asst. Chief Administrative Officer and the Human Resources Director are recommending an eighteen percent (18%) increase to the ISL Premium; and

WHEREAS, the Chief Administrative Officer and the Human Resources Director are recommending all non-union personnel increase the payroll deduction for employee contribution to health care benefits from three and a calculated three tenths percent (3.3%) to three and four tenths percent (3.4%); and

WHEREAS, the City and the Burlington Firefighters Association, the International Brotherhood of Electrical Workers, the Burlington Patrolman's Association, and the American Federation of State, County, and Municipal Employees Unions have agreed to payroll deductions of three and one half percent (3.5%), a calculated three and four tenths percent (3.4%), three and one half percent (3.5%), and three and four tenths percent (3.4%) respectively for health care benefits contributions; and

WHEREAS, the Board of Finance has approved the recommended increase to the ISL Premium of eighteen percent (18%) and the recommended increases to employees' payroll deduction percentages; and

NOW THEREFORE, BE IT RESOLVED that Human Resources Director Susan Leonard. be and hereby is authorized to execute on behalf of the City of Burlington, an Agreement and related documents as necessary, by and between the City of Burlington and Blue Cross Blue Shield of Vermont for the Fiscal Years 2013. Administration of the City's self-insured health insurance plan and provision of stop loss insurance, subject to the prior review and approval for the City Attorney; and

NOW THEREFORE, BE IT FURTHER RESOLVED that Interim Chief Administrative Officer and BED General Manager be and hereby are authorized and directed to increase employee contributions to health care benefits as described above.

HEALTH AND DENTAL MONTHLY RATES FOR FY 13

GENERAL FUND DEPARTMENTS

	<u>Health</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	521.17		
Two Person	1137.33	616.16	142.19
Family	1527.23	1006.06	232.17

	<u>Dental</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	28.04		
Two Person	51.37	23.33	5.38
Family	86.36	34.99	8.07

COBRA & REVENUE DEPARTMENTS

	<u>Health</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	531.59		
Two Person	1160.08	628.48	145.03
Family	1557.77	1026.18	236.81

	<u>Dental</u>		
Single	28.60		
Two Person	52.39		
Family	88.08		

RETIREEES

	<u>Health</u>	<u>Dental</u>
Single	521.17	28.04
Two Person	1137.33	51.37
Family	1527.23	86.36
Medicomp	273.45	

*Previous years rates plus 03%, 2% added for COBRA and Rev. Departments
 *Retirees charged 100% of the premium
 *This information is also kept on the R drive under Insurance, COB Rate History

HEALTH AND DENTAL MONTHLY RATES FOR FY 12

GENERAL FUND DEPARTMENTS

	<u>Health</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	505.99		
Two Person	1104.20	598.21	138.05
Family	1482.75	976.76	225.41

	<u>Dental</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	28.04		
Two Person	51.37	23.33	5.38
Family	86.36	34.99	8.07

COBRA & REVENUE DEPARTMENTS

	<u>Health</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	516.11		
Two Person	1126.28	610.17	140.81
Family	1512.41	996.30	229.91

	<u>Dental</u>		
Single	28.60		
Two Person	52.39		
Family	88.08		

RETIREEES

	<u>Health</u>	<u>Dental</u>
Single	521.17	28.04
Two Person	1137.33	51.37
Family	1527.23	86.36
Medicomp	273.45	

*Previous years rates plus 03%, 2% added for COBRA and Rev. Departments
 *Retirees charged 100% of the premium
 *This information is also kept on the R drive under Insurance, COB Rate History

HEALTH AND DENTAL MONTHLY RATES FOR FY 12

GENERAL FUND DEPARTMENTS

	<u>Health</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	521.17		
Two Person	1137.33	616.16	142.19
Family	1527.23	1006.06	232.17

FY2013

	<u>Dental</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	28.04		
Two Person	51.37	23.33	5.38
Family	86.36	34.99	8.07

COBRA & REVENUE DEPARTMENTS

	<u>Health</u>	<u>DP Tax</u>	<u>DP Tax Weekly</u>
Single	531.59		
Two Person	1160.08	628.48	145.03
Family	1557.77	1026.18	236.81

	<u>Dental</u>
Single	28.60
Two Person	52.39
Family	88.08

RETIREEES

	<u>Health</u>	<u>Dental</u>
Single	521.17	28.04
Two Person	1137.33	51.37
Family	1527.23	86.36
Medicomp	273.45	

*Previous years rates plus 03%, 2% added for COBRA and Rev. Departments

*Retirees charged 100% of the premuim

*This information is also kept on the R drive under Insurance, COB Rate History

*Worksheet last updated 06/26/2012

**FULL-TIME DEDUCTION RATES
(REVENUE AND GENERAL FUND DEPTS)**

AFSCME 3.40%

IBEW 3.40%

BPOA 3.50%

BFA* 3.50%

NON-UNION 3.40%**

**Per BFA Contract, change to 3.5% in FY13*

***As of 06/26/2012*

GENERAL FUND DEPARTMENTS (NON-AFSCME)

WEEKLY HEALTH DEDUCTIONS FOR PART-TIME FY 2013

Hours	Hours Less Than 40	Single	Two Person	Family
		521.17	1,137.33	1,527.23
35	5	15.03	32.81	44.05
34	6	18.04	39.37	52.87
33	7	21.05	45.93	61.68
32	8	24.05	52.49	70.49
31	9	27.06	59.05	79.30
30	10	30.07	65.62	88.11
29	11	33.07	72.18	96.92
28	12	36.08	78.74	105.73
27	13	39.09	85.30	114.54
26	14	42.09	91.86	123.35
25	15	45.10	98.42	132.16
24	16	48.11	104.98	140.98
23	17	51.11	111.55	149.79
22	18	54.12	118.11	158.60
21	19	57.13	124.67	167.41
20	20	60.14	131.23	176.22

WEEKLY DENTAL DEDUCTIONS FOR PART-TIME FY 2013

Hours	Hours Less Than 40	Single	Two Person	Family
		28.04	51.37	86.36
35	5	0.81	1.48	2.49
34	6	0.97	1.78	2.99
33	7	1.13	2.07	3.49
32	8	1.29	2.37	3.99
31	9	1.46	2.67	4.48
30	10	1.62	2.96	4.98
29	11	1.78	3.26	5.48
28	12	1.94	3.56	5.98
27	13	2.10	3.85	6.48
26	14	2.26	4.15	6.98
25	15	2.43	4.45	7.47
24	16	2.59	4.74	7.97
23	17	2.75	5.04	8.47
22	18	2.91	5.33	8.97
21	19	3.07	5.63	9.47
20	20	3.24	5.93	9.96

Deduction Totals

Hours	Hours Less Than 40	Single	Two Person	Family
		549.21	1,188.70	1,613.59
35	5	15.84	34.29	46.55
34	6	19.01	41.15	55.86
33	7	22.18	48.01	65.16
32	8	25.35	54.86	74.47
31	9	28.52	61.72	83.78
30	10	31.69	68.58	93.09
29	11	34.85	75.44	102.40
28	12	38.02	82.29	111.71

27	13	41.19	89.15	121.02
26	14	44.36	96.01	130.33
25	15	47.53	102.87	139.64
24	16	50.70	109.73	148.95
23	17	53.86	116.58	158.26
22	18	57.03	123.44	167.57
21	19	60.20	130.30	176.87
20	20	63.37	137.16	186.18

REVENUE DEPARTMENTS (NON-AFSCME)

WEEKLY HEALTH DEDUCTIONS FOR PART-TIME FY 2013

Hours	Hours Less Than 40	Single	Two Person	Family
		531.59	1160.08	1557.77
35.00	5.00	15.33	33.46	44.94
34.00	6.00	18.40	40.16	53.92
33.00	7.00	21.47	46.85	62.91
32.00	8.00	24.54	53.54	71.90
31.00	9.00	27.60	60.23	80.88
30.00	10.00	30.67	66.93	89.87
29.00	11.00	33.74	73.62	98.86
28.00	12.00	36.80	80.31	107.85
27.00	13.00	39.87	87.01	116.83
26.00	14.00	42.94	93.70	125.82
25.00	15.00	46.00	100.39	134.81
24.00	16.00	49.07	107.08	143.79
23.00	17.00	52.14	113.78	152.78
22.00	18.00	55.20	120.47	161.77
21.00	19.00	58.27	127.16	170.76
20.00	20.00	61.34	133.85	179.74

WEEKLY DENTAL DEDUCTIONS FOR PART-TIME FY 2013

Hours	Hours Less Than 40	Single	Two Person	Family
		28.04	51.37	86.36
35.00	5.00	0.81	1.48	2.49
34.00	6.00	0.97	1.78	2.99
33.00	7.00	1.13	2.07	3.49
32.00	8.00	1.29	2.37	3.99
31.00	9.00	1.46	2.67	4.48
30.00	10.00	1.62	2.96	4.98
29.00	11.00	1.78	3.26	5.48
28.00	12.00	1.94	3.56	5.98
27.00	13.00	2.10	3.85	6.48
26.00	14.00	2.26	4.15	6.98
25.00	15.00	2.43	4.45	7.47
24.00	16.00	2.59	4.74	7.97
23.00	17.00	2.75	5.04	8.47
22.00	18.00	2.91	5.33	8.97
21.00	19.00	3.07	5.63	9.47
20.00	20.00	3.24	5.93	9.96

Deduction Totals

Hours	Hours Less Than 40	Single	Two Person	Family
		559.63	1211.45	1644.13
35.00	5.00	16.14	34.95	47.43
34.00	6.00	19.37	41.93	56.91
33.00	7.00	22.60	48.92	66.40
32.00	8.00	25.83	55.91	75.88
31.00	9.00	29.06	62.90	85.37
30.00	10.00	32.29	69.89	94.85
29.00	11.00	35.52	76.88	104.34
28.00	12.00	38.74	83.87	113.82
27.00	13.00	41.97	90.86	123.31
26.00	14.00	45.20	97.85	132.80
25.00	15.00	48.43	104.84	142.28
24.00	16.00	51.66	111.83	151.77
23.00	17.00	54.89	118.81	161.25
22.00	18.00	58.12	125.80	170.74
21.00	19.00	61.34	132.79	180.22

20.00	20.00	64.57	139.78	189.71
-------	-------	-------	--------	--------

PART TIME HEALTH AFSCME AND NONUNION

HEALTH DEDUCTIONS FOR PART-TIME FY 2013

	SINGLE			Two Person			Family		
	City paid PM	EE Paid PM	Weekly Ded	City paid PM	EE Paid PM	Weekly Ded	City paid PM	EE Paid PM	Weekly Ded
Hours Worked	302.28	218.89	50.51	659.65	477.68	110.23	885.79	641.44	148.02
20-23	338.76	182.41	42.09	739.26	398.07	91.86	992.70	534.53	123.35
24-29	390.88	130.29	30.07	853.00	284.33	65.62	1145.42	381.81	88.11
30-32	416.94	104.23	24.05	909.86	227.47	52.49	1221.78	305.45	70.49
32-35									

DENTAL DEDUCTIONS FOR PART-TIME FY 2013

	SINGLE			Two Person			Family		
	City paid PM	EE Paid PM	Weekly Ded	City paid PM	EE Paid PM	Weekly Ded	City paid PM	EE Paid PM	Weekly Ded
Hours Worked	16.26	11.78	2.72	29.79	21.58	4.98	50.09	36.27	8.37
20-23	18.23	9.81	2.26	33.39	17.98	4.15	56.13	30.23	6.98
24-29	21.03	7.01	1.62	38.53	12.84	2.96	64.77	21.59	4.98
30-32	22.43	5.61	1.29	41.10	10.27	2.37	69.09	17.27	3.99
32-35									

HEALTH AND DENTAL TOTAL DEDUCTIONS FOR PART-TIME FY 2013

	SINGLE			Two Person			Family		
	City paid PM	EE Paid PM	Weekly Ded	City paid PM	EE Paid PM	Weekly Ded	City paid PM	EE Paid PM	Weekly Ded
Hours Worked	318.54	230.67	53.23	689.45	499.25	115.21	935.88	677.71	156.39
20-23	356.99	192.22	44.36	772.66	416.05	96.01	1048.83	564.76	130.33
24-29	411.91	137.30	31.69	891.53	297.18	68.58	1210.19	403.40	93.09
30-32	439.37	109.84	25.35	950.96	237.74	54.86	1290.87	322.72	74.47
32-35									

**Per Susan Leonard on 06/10/2011 PT Rates for AFSCME should be based on the General Fund Rate, not Revenue Dept Rate*